

FINANCIAL STATEMENTS  
OF  
CENTERS AGAINST ABUSE AND  
SEXUAL ASSAULT  
SPENCER, IOWA  
AT  
JUNE 30, 2008 AND 2007  
WITH INDEPENDENT AUDITORS' REPORT THEREON

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CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA

OFFICIALS AND BOARD OF DIRECTORS

<u>NAME</u>	<u>TITLE</u>	<u>EXPIRES</u>
Martin Sievers	President	2008
Ramona Schuett	Vice-President	2008
Deb Eastin	Treasurer	2008
Ann Holck	Secretary	2008
Jean Miller	Board Member	Unlimited
Avis Davis	Board Member	Unlimited
Roger E. Anderson	Board Member	Unlimited
Vicki Roberts	Board Member	Unlimited
Dorothy Olson	Board Member	Unlimited
Shari O'Bannon	Board Member	Unlimited
Betty Waller	Board Member	Unlimited
Josephine Gruhn	Board Member	Unlimited
Rhonda Dean	Executive Director	Indefinite

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Centers Against Abuse and Sexual Assault  
Spencer, Iowa

We have audited the accompanying statements of financial position of the Centers Against Abuse and Sexual Assault (a nonprofit organization) as of June 30, 2008 and 2007, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Centers Against Abuse and Sexual Assault at June 30, 2008 and 2007 and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated May 5, 2009 on our consideration of Centers Against Abuse and Sexual Assault's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedule 1 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in our audit of the aforementioned financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

BURKHARDT & DAWSON, CPA's

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Certified Public Accountants

May 5, 2009

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<b>CURRENT ASSETS:</b>		
Cash in Bank and Cash on Hand	\$ 33,980	\$ 12,293
Certificates of Deposit	29,937	28,940
Receivables - Federal Grants	34,199	13,869
Receivables - State Grants	4,224	24,997
Accrued Interest Receivable	124	126
Due From Related Party	1,852	0
Prepaid Expenses	<u>2,503</u>	<u>2,136</u>
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 106,819</b>	<b>\$ 82,361</b>
<b>PROPERTY AND EQUIPMENT:</b>		
Land	\$ 107,500	\$ 107,500
Buildings and Improvements	802,152	853,573
Equipment and Furniture	<u>115,276</u>	<u>115,276</u>
<b>TOTAL</b>	<b>\$1,024,928</b>	<b>\$1,076,349</b>
<b>LESS - Accumulated Depreciation</b>	<b><u>(361,551)</u></b>	<b><u>(352,357)</u></b>
<b>NET PROPERTY AND EQUIPMENT</b>	<b>\$ 663,377</b>	<b>\$ 723,992</b>
<b>TOTAL ASSETS</b>	<b>\$ 770,196</b>	<b>\$ 806,353</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts Payable	\$ 9,418	\$ 13,854
Accrued Payroll Taxes and Benefits Payable	3,372	3,661
Accrued Salaries Payable	7,561	1,512
Accrued Compensated Absences Payable	30,347	20,515
Accrued Interest Payable	0	23
Note Payable - Operating	<u>0</u>	<u>10,092</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 50,698</b>	<b>\$ 49,657</b>
<b>NET ASSETS:</b>		
Unrestricted	\$ 715,971	\$ 746,315
Temporarily Restricted by Donors	<u>3,527</u>	<u>10,381</u>
<b>TOTAL NET ASSETS</b>	<b>\$ 719,498</b>	<b>\$ 756,696</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 770,196</b>	<b>\$ 806,353</b>

See accompanying notes to financial statements

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
UNRESTRICTED NET ASSETS:		
PUBLIC SUPPORT AND REVENUES:		
SUPPORT:		
Grants:		
Federal	\$ 226,129	\$ 239,282
State	202,801	197,201
Contributions:		
Local Governments	41,837	42,505
Other	111,453	87,612
Value of Contributed Services and Materials	<u>120,007</u>	<u>45,374</u>
TOTAL PUBLIC SUPPORT	<u>\$ 702,227</u>	<u>\$ 611,974</u>
REVENUES:		
Sales	\$ 79,343	\$ 80,103
Interest	1,409	1,331
Miscellaneous	4,127	1,262
Gain on Sale of Property	<u>20,088</u>	<u>0</u>
TOTAL REVENUES	<u>\$ 104,967</u>	<u>\$ 82,696</u>
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 12,674</u>	<u>\$ 25,382</u>
TOTAL PUBLIC SUPPORT AND REVENUES	<u>\$ 819,868</u>	<u>\$ 720,052</u>
EXPENSES:		
PROGRAM SERVICES:		
Shelter Expenses	\$ 804,964	\$ 775,935
SUPPORT SERVICES:		
General and Administration	<u>44,849</u>	<u>44,949</u>
TOTAL EXPENSES	<u>\$ 849,813</u>	<u>\$ 820,884</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>\$ (29,945)</u>	<u>\$ (100,832)</u>
TEMPORARILY RESTRICTED NET ASSETS:		
Contributions	\$ 5,421	\$ 10,463
Net Assets Released from Donor Restrictions	<u>(12,674)</u>	<u>(25,382)</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>\$ (7,253)</u>	<u>\$ (14,919)</u>
TOTAL CHANGE IN NET ASSETS	\$ (37,198)	\$ (115,751)
NET ASSETS AT BEGINNING OF PERIOD	<u>756,696</u>	<u>872,447</u>
NET ASSETS AT END OF PERIOD	<u>\$ 719,498</u>	<u>\$ 756,696</u>

See accompanying notes to financial statements

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	PROGRAM EXPENSES	GENERAL AND ADMINI- STRATIVE	2008 TOTAL	2007 TOTAL
Salaries	\$424,783	\$ 18,475	\$443,258	\$452,820
Payroll Taxes	33,706	1,466	35,172	35,388
Fringe Benefits	<u>35,315</u>	<u>1,536</u>	<u>36,851</u>	<u>73,806</u>
Total Personnel Expenses	\$493,804	\$ 21,477	\$515,281	\$562,014
Contributed Services and Materials	120,007	0	120,007	45,374
Dues and Subscriptions	2,237	0	2,237	2,792
Fundraising Expenses	11,350	0	11,350	13,366
Insurance	18,700	0	18,700	20,238
Interest	1,942	0	1,942	2,502
Miscellaneous	5,869	1,364	7,233	9,713
Supplies	28,904	1,511	30,415	25,319
Postage	1,434	478	1,912	2,351
Printing and Advertisements	2,041	252	2,293	1,544
Professional Fees	0	12,107	12,107	9,183
Rent	5,531	0	5,531	5,870
Equipment Rent	397	0	397	715
Repairs	16,497	0	16,497	10,621
Shelter Expenses	1,799	0	1,799	1,809
Staff Training	4,181	0	4,181	810
Telephone	12,719	1,572	14,291	14,022
Travel	18,262	6,088	24,350	29,022
Utilities	<u>22,668</u>	<u>0</u>	<u>22,668</u>	<u>24,352</u>
TOTAL EXPENSES BEFORE DEPRECIATION	\$768,342	\$ 44,849	\$813,191	\$781,617
Depreciation	<u>36,622</u>	<u>0</u>	<u>36,622</u>	<u>39,267</u>
TOTAL EXPENSES	<u>\$804,964</u>	<u>\$ 44,849</u>	<u>\$849,813</u>	<u>\$820,884</u>



CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received From Federal Grants	\$ 206,623	\$ 275,669
Cash Received From State Grants	222,751	199,016
Cash Received From Local Governments	41,837	42,505
Cash Received From Sales	79,343	80,103
Interest Received	1,411	1,318
Other Receipts	1,275	1,262
Donations Received	116,874	97,974
Cash Paid to Employees and Suppliers	(677,602)	(820,785)
Interest Paid	<u>(1,965)</u>	<u>(4,257)</u>
NET CASH USED BY OPERATING ACTIVITIES	\$ <u>(9,453)</u>	\$ <u>(127,195)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Principal Repayments	\$ (231,349)	\$ (37,510)
Proceeds From Loans	221,257	27,602
Loan to Related Party	(2,852)	0
Loan Repayment from Related Party	<u>1,000</u>	<u>0</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$ <u>(11,944)</u>	\$ <u>(9,908)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds From Sale of Property	\$ 44,081	\$ 0
Purchase of Capital Assets	0	(8,850)
Increase in Certificates of Deposit	<u>(997)</u>	<u>(905)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ <u>43,084</u>	\$ <u>(9,755)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 21,687	\$ (146,858)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>12,293</u>	<u>159,151</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 33,980</u>	<u>\$ 12,293</u>

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH BY OPERATING ACTIVITIES:		
Change in Net Assets	\$ (37,198)	\$ (115,751)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation	36,622	39,267
Gain on Sale of Property	(20,088)	0
Changes in Assets and Liabilities:		
Decrease in Accounts Receivable	443	38,202
Decrease (Increase) in Accrued Interest Receivable	2	(13)
(Increase) in Prepaid Expenses	(367)	(418)
(Decrease) in Accounts Payable	(4,436)	(91,386)
Increase in Salaries and Benefits Payable	5,760	1,519
Increase in Compensated Absences Payable	9,832	3,141
(Decrease) in Accrued Interest Payable	<u>(23)</u>	<u>(1,756)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (9,453)</u>	<u>\$ (127,195)</u>

## NON-CASH ACTIVITIES:

During the fiscal years June 30, 2008 and 2007, the Center received numerous donated services and materials that were used in the operations of the shelters.

See accompanying notes to financial statements

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008 AND 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Centers Against Abuse and Sexual Assault (CAASA) was organized as a nonprofit organization October 11, 1984, to provide services for families in a four-county area through assistance of federal, state, and local funds. The Center merged its operations with Council Against Domestic Abuse & Sexual Assault, Inc. (CADA/SA) located in Cherokee, Iowa effective July 1, 2006. CADA/SA served another four county area. The Executive Director of CAASA was the Executive Director of the new organization for eight counties. A new board was formed from the two prior boards to govern the organization. The mission of the Center is to eliminate personal, institutional, and societal violence against individuals by empowering victims/survivors and providing supportive programs and services.

Financial Statement Presentation

The accompanying financial statements have been presented and prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred, if measurable.

The Center has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the statement, the Center does not use fund accounting.

Contributions

The Center has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. In addition, when a donor restriction is satisfied in the same year the contribution is received, the contribution is shown on the statement of activities as unrestricted support.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008 AND 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAASA accepts donations of used furniture for restoration and miscellaneous household goods for subsequent sale. This program provides funds for currently unmet client needs. Revenue is recorded at the time of sale. Donations are considered to be of no value until they are sold. CAASA also received donations of food and miscellaneous personal items for client use.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Center considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2008 and 2007.

Property and Equipment

Property and equipment are recorded at cost. Assets are depreciated over their estimated useful lives using the straight-line method for financial reporting and income tax purposes. Expenditures for maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. Depreciated costs, estimated lives, and depreciation expense as of and for the years ended June 30, 2008 and 2007 are as follows:

CLASSES OF ASSETS	DEPRECIATED COSTS		ESTI- MATED LIVES	DEPRECIATION EXPENSE	
	2008	2007		2008	2007
Land	\$107,500	\$107,500	-	\$ 0	\$ 0
Buildings and Improvements	542,435	597,840	10-40	31,409	31,615
Equipment and Furniture	<u>13,442</u>	<u>18,652</u>	5-7	<u>5,213</u>	<u>7,652</u>
	<u>\$663,377</u>	<u>\$723,992</u>		<u>\$ 36,622</u>	<u>\$ 39,267</u>

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008 AND 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Centers Against Abuse and Sexual Assault is a nonprofit organization that is exempt from income taxes under Code Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation.

Contributed Services

A number of volunteers donate services that create or enhance nonfinancial assets or that require specialized skills, and would typically need to be purchased if not provided by donation. These donated services are recorded at their fair value in the period received. The value of donated services is reflected in the financial statements as Donated Services and an offsetting expense, In-Kind Expenditure - Volunteers. Donated services are required to meet match requirements of certain grants. For the year ended June 30, 2008 and 2007 CAASA recognized \$102,541 and \$35,967, respectively as the value of volunteer services.

Compensated Absences

Center employees accumulate a limited amount of earned but unused vacation leave hours for subsequent use or for payment upon termination, retirement or death. Amounts representing the cost of compensated absences are recorded as a liability and have been computed based on rates of pay in effect at June 30, 2008 and 2007.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations

The Center is heavily reliant on federal, state and local funding.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008 AND 2007

## NOTE 2 - DESCRIPTION OF LEASING ARRANGEMENTS

The Center rents space for the Storm Lake office under an operating lease. The lease is on a month to month basis. The Center also rents a garage in Cherokee under an operating lease. This is a monthly lease with an automatic renewal option. The Center also rented a storage unit for six months. The operating lease expense is \$5,531 and \$5,870 for the years ended June 30, 2008 and 2007, respectively.

## NOTE 3 - GOVERNMENT ASSISTANCE

During the years ended June 30, 2008 and 2007, the Center reported the following federal and state government support:

	<u>2008</u>	<u>2007</u>
Federal:		
Victims of Crime Assistance (VOCA)	\$147,659	\$160,000
Violence Against Women Act (VAWA)	27,270	29,282
Family Violence Prevention	<u>51,200</u>	<u>50,000</u>
	<u>\$226,129</u>	<u>\$239,282</u>
State:		
Domestic Abuse	\$112,613	\$109,113
Sexual Assault	49,115	48,115
Emergency Shelter Grant Program (ESGP) and Homeless Shelter		
Operations Grants Program (HSOGP)	13,000	31,000
Rape Prevention Education (RPE)	12,084	8,973
Prevent Child Abuse	<u>15,989</u>	<u>0</u>
	<u>\$202,801</u>	<u>\$197,201</u>

## NOTE 4 - RETIREMENT PLAN

The Center maintains a Savings Incentive Match Plan for Employees (SIMPLE IRA) retirement plan for all eligible employees. The Company matches employee contributions dollar for dollar up to a maximum of 3% of the employee's compensation. The Center's expense relating to matching contributions totaled \$6,554 and \$6,051 for the fiscal years ended June 30, 2008 and 2007, respectively.

## NOTE 5 - RISK MANAGEMENT

The Centers Against Abuse and Sexual Assault is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disaster. These risks are covered by the purchase of commercial insurance. The Center assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008 AND 2007

NOTE 6 - NOTE PAYABLE

The Center had a line of credit of \$30,000 at Northwest Federal Savings Bank. They renewed it on June 2, 2007 and it matured on June 1, 2008. The interest rate was prime, and the unpaid balances at June 30, 2008 and 2007 were \$-0- and \$10,092, respectively.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2008</u>	<u>2007</u>
Donor Restricted	\$ 0	\$ 2,225
Restricted For Use In Designated County	<u>5,421</u>	<u>8,238</u>
TOTAL TEMPORARILY RESTRICTED NET ASSETS	<u>\$ 5,421</u>	<u>\$ 10,463</u>

Net assets were released from donor restrictions by satisfying the purpose specified by donors as follows:

	<u>2008</u>	<u>2007</u>
PURPOSE RESTRICTION ACCOMPLISHED:		
Specific Activity	\$ 2,225	\$ 18,846
Specific Counties	<u>10,449</u>	<u>6,536</u>
TOTAL RESTRICTIONS RELEASED	<u>\$ 12,674</u>	<u>\$ 25,382</u>

NOTE 8 - RELATED PARTY TRANSACTIONS

As part of the merger between CAASA and CADA, effective July 1, 2006, the fiscal monitor for CADA became the fiscal monitor of the new organization. In performing her duties, she noted two unauthorized personal disbursements by the Executive Director. They totaled approximately \$1,400 and they were repaid through payroll deductions during the year ended June 30, 2007.

In the fall of 2007, the Executive Director resigned her position. The assistant director agreed to assume the position of Executive Director.

The new Executive Director examined three years of Wal-Mart charges by the former Executive Director for unauthorized personal charges. The Center identified additional charges of \$2,852. Arrangements have been made for the former director to repay the full amount. The former director is paying approximately \$250 per month. No charges have been filed. At June 30, 2008, the balance due from this former employee was \$1,852. As of May 5, 2009, the remaining balance owed to the Center was \$-0-.

INDEPENDENT AUDITORS' REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To The Board of Directors of  
Centers Against Abuse and Sexual Assault

We have audited the financial statements of Centers Against Abuse and Sexual Assault, Spencer, Iowa, as of and for the year ended June 30, 2008, and have issued our report thereon dated May 5, 2009. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Centers Against Abuse and Sexual Assault's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Centers Against Abuse and Sexual Assault's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Centers Against Abuse and Sexual Assault's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies, including deficiencies we consider to be material weaknesses.



A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Centers Against Abuse and Sexual Assault's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Centers Against Abuse and Sexual Assault's financial statements that is more than inconsequential will not be prevented or detected by Centers Against Abuse and Sexual Assault's internal control. We consider the deficiencies in internal control described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Centers Against Abuse and Sexual Assault's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe items A, B and C are material weaknesses.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Centers Against Abuse and Sexual Assault's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the Center's operations for the year ended June 30, 2008 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Center. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Centers Against Abuse and Sexual Assault's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we expressed our conclusions on the Center's responses, we did not audit Center's Against Abuse and Sexual Assault's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of Centers Against Abuse and Sexual Assault and other parties to whom the Center may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Centers Against Abuse and Sexual Assault during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

BURKHARDT & DAWSON, CPA's

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Certified Public Accountants

May 5, 2009

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2008

FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

SIGNIFICANT DEFICIENCIES:

- A. Segregation of Duties - During our review of internal control, the existing procedures are evaluated in order to determine incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the Center's financial statements. We noted one individual performed all record-keeping and reconciling functions for the Center, including those related to its federal program for part of the year.

Recommendation - We realize segregation of duties is difficult with a limited number of office employees. We also realize the Center currently uses outside accounting services to better segregate accounting functions and made this change during the fiscal year. The Center should review its operating procedures to obtain the maximum internal control possible under the circumstances.

Response - While segregation of duties remains difficult with a limited number of office employees, we have reviewed and revised financial policies to include clear checks and balances regarding grant claims and accounts payable. The outsourcing of our bookkeeping to an independent accounting firm will assist with accountability issues.

Conclusion - Response accepted.

- B. Voided Checks - Not all voided checks were removed from the bank reconciliation software. The bank reconciliation did not agree to the general ledger.

Recommendation - The bank accounts should be reconciled regularly and agreed to the general ledger monthly.

Response - Each month the independent accounting firm provides a reconciliation statement. This statement is reviewed by the Executive Director with the accountant. Determination is made each month as to checks that must be voided or follow up with the vendor to investigate why they are not submitted.

Conclusion - Response accepted.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
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SIGNIFICANT DEFICIENCIES - CONTINUED:

- C. Donations - Recordkeeping for donated services and donated materials should be complete and reported in the general ledger. Volunteer hours were often incorrectly totaled. Donated materials should be valued at reasonable amounts. One county did not report any donated materials.

Recommendation - The Center should make every effort to record and value all donated services and materials received. This is important for grant reporting and financial reporting purposes.

Response - Beginning fiscal year 2009, internal controls have been created to track donations of services and materials each month. As staff turn their records in, they are reviewed by the Executive Director for addition errors.

Conclusion - Response accepted.

- D. Grants - Not all grants awarded were used by the Center.

Recommendation - The Center should try to use all of its grant awards to maximize the benefits for its clients.

Response - The Center has put internal controls in place to monitor grant expenditures in a more detailed manner. The accounting firm along with the grantor provides remaining grant funds amounts each month to the Executive Director. The Director determines expenditures and determines what spending should happen for that fiscal year.

Conclusion - Response accepted.

- E. Flex Time - During the current fiscal year, the Center accumulated flex hours in excess of the Center's policy handbook.

Recommendation - The Center needs to monitor flex time earned and try to control it to maximize use of the Center's resources and minimize the Center's costs. The Center also needs to follow handbook policies.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
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SIGNIFICANT DEFICIENCIES - CONTINUED:

E. Flex Time - Continued:

Response - The Center has implemented a policy of using all accumulated flex time within three months of acquiring it or the staff person loses that time. This policy went into effect September 2008 and remains enforced.

Conclusion - Response accepted.

OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING:

No matters were reported.

